



[Glossary]
[Factor Price Equalization Theory]

Subject:	Business Economics
Course:	B.A., 5 th Semester, Undergraduate
Paper No. & Title:	Paper – 541 International Economics
Unit No. & Title:	Unit - 2 Factor Endowment and Heckscher-Ohlin Theory
Lecture No. & Title:	2: Factor Price Equalization Theory

Glossary:

Factor Price equalization: International trade will equalize the relative and absolute prices of factor of production across nations.

Euler's theory: Total production will be just exhausted if all factors are paid rewards equal to their marginal products.